Saskatchewan Milk Control Board

Update

Volume 15 No .2, August 18, 2008

QUOTA EXCHANGE

The second Quota Exchange for the 2008-2009 dairy year (results effective September 1) was conducted on August 15, 2008. The market-clearing price established for the Unused Quota Exchange was **$50.00**. There was no Used Quota Exchange. The results of the August 2008 Unused Quota Exchange are outlined in the following Table.

The next monthly Quota Exchange for the 2008-2009 dairy year will be held on September 15, 2008. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, September 6, 2008. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$50.00**
Kilograms offered to Purchase	**7,000**
Kilograms offered to Sell	**47,447**
Kilograms sold	**6,200**
Number of Producers	
- offered to purchase	**2**
- purchased quota	**2**
- offered to sell	**7**
- sold quota	**1**

UNUSED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
50.00	**1**	**1**	**6,200**	**6,200**	**-800**	**7,000**	**5,000**	**2**	**1**
52.00	1	2	247	6,447	4,447	2,000	0	1	0
55.00	2	4	24,000	30,447	28,447	2,000	2,000	1	1
59.80	1	5	8,000	38,447	38,447	0	0	0	0
60.00	2	7	9,000	47,447	47,447	0	0	0	0

BUTTERFAT PRODUCTION & COMPONENT PRICING July 2008

Butterfat production for July 2008 totalled approximately 722,448 kilograms. This was an increase of approximately 6.39% over July, 2008 shipments. **Saskatchewan's allocation of Total Production Quota for the 12 months of the 2007-2008 dairy year totalled approximately 8,712,079 kilograms. In those twelve months, the province shipped 99.31% of that amount.** Comparatively, for the same time frame in the 2006-2007 dairy year, the province shipped 98.59%.

WEIGHTED AVERAGE COMPONENT TESTS & PRICES July 2008

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.6310	$11.035553
Protein	3.2382	$ 8.035553
Other Solids	5.7015	$ 1.140950

Based on the average component tests for the province, the average price received was $72.5965 per hectolitre. **The average butterfat price received per kilogram was $19.99.** Over quota (4m) holdings are $433,597.30 for the entire 2007/2008 dairy year.

SASKATCHEWAN MILK POOL RESULTS July 2008

Milk Sale Revenue	$ 13,539,429.46
Western Milk Pool	$ 984,075.28
Dairy Farmers of Canada Skim Off	$ -19,057.34
Plant of Last Resort Service	$ -56,290.60
Truck Seal Log books	$ - 4,068.75
Total Pool Value	**$ 14,444,088.05**

CLASS 1 PRICE INCREASE – SEPTEMBER 1, 2008

The Alberta Energy and Utilities Board increased the minimum price for Class 1 milk by $0.98 per hl. effective September 1, 2008. The increase was due mainly to cost of production variables

based on a two month trend analysis. Accordingly, the Saskatchewan Milk Control Board will increase the Class 1 price to producers by $0.98 per hl. effective September 1, 2008.

AUGUST 1, 2008 TOTAL PRODUCTION QUOTA

Effective August 1, 2008, the **revised increase in Total Production Quota will be 1.80%**. In a letter dated July 2nd, producers were advised to expect a TPQ increase of 2.54%. The reduced TPQ increase for the 2008/09 Dairy Year is the result of a lower than expected National Growth Allowance and a reduction in the national market requirements. This information will be updated on your August 2008 Quota Management Sheet.

AUGUST 2008 – ADVANCE PAY CHANGES

Please note that your advance pay for August 2008 may differ from your July 2008 month-end statement. With all swaps reverting back August 1, 2008, a producer's Total Production Quota may or may not be the same. This could affect the in-quota dollar amount paid, and could cause a producer to go into arrearage if the advance is too high. In order to avoid an occurrence when a producer may receive zero payment for the August month-end payment, the Board will adjust the August advance pay accordingly. If you have any questions, please contact the Board office.

QUOTA MANAGEMENT TABLE

Please find enclosed your quota management results for July, 2008. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments. If you have any questions, please contact our office.

ACCOUNTING VALUES FOR CLASSES OF MILK August 2008

	Butterfat ($/kg)	**($ per hl. Skim milk)**	
Class 1a	$5.3000	$65.31	
Class 1b	$5.3000	$65.31	
Class 1c	$5.3000	$54.30	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.3088	$5.4705	$5.4705
Class 3a	$7.3088	$12.7797	$0.8521
Class 3b	$7.3088	$12.5270	$0.8361
Class 4a, 4b, 4d & 4d(i)	$7.3088	$5.0721	$5.0721
Class 4a(i)	$7.3088	$3.0000	$3.0000
Class 4c	$7.3088	$4.3872	$4.3872
Class 4m	$0.00	$0.00	$0.00
Class 5a	$3.6186	$9.9863	$0.1909
Class 5b	$3.6186	$2.6465	$2.6465
Class 5c	$3.9034	$2.6465	$2.6465
Class 5d	**As determined by**	**the CDC**	

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, miscellaneous dairy equipment, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

Swap in Quota

Darcy Loewen would like to swap in quota for the 2008-2009 dairy year. Contact him at (306) 493-8201.

Quota &/or Cows for Sale

- Dwayne Ens has quota for sale. Call (306) 225-2152.
- Quota for sale. Contact Elmer or Elsie Gerbrandt @ (306) 773-5618
- Cows and quota for sale. Contact Ashley Duff @ (306) 783-6896
- Quota for sale. Approximately 32,000 kilograms. Contact Dan Hazell @ Glenacre Holsteins. Phone (306) 224-4850. Fax (306) 224-4909.
- Quota for sale. Contact Kevin at (306) 549-2129.
- Approximately 24,000 kilograms of butterfat. Holstein cows, heifers, calves and bulls. Take possession August 1, 2008. Contact Clara Ollenberger at (306) 753-2747 or cell phone (306) 753-7767.
- Cows and quota for sale. Contact Ferch Farms at (306) 736-2205.
- Cows and quota (approximately 40,000 kilograms). Please contact Ken Schmidt @ (306) 374-8980
- Quota for sale – contact Fred or Anne Monchuk at (306) 365-4750.
- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997
- Lloyetta Holsteins have sold their cows and quota November 2007. We have kept our home bred heifers and have purchased some quality heifers. Many heifers have deep pedigrees from popular bulls such as Goldwyn, Final Cut, Sept. Storm, FBI, Titanic, Jasper and others. We also have some very nice Grade heifers due in early 2008. We have a total of 100 heifers and feel we can meet your cattle needs. The heifers will start calving in January 2008 and we will have springing heifers thru 2008 and 2009. We have breeding age bulls and younger for sale, most from VG dams with high production. Call Lloyd & Loretta Sawatzky, Box 58, RR #4, Saskatoon at (306) 239-4818 or Cell (306) 281-2247.

Miscellaneous For Sale

- 16 Waikato milk meters $250 each; 5,000 gallon new Delaval bulk tank, made in U.S.A. $50,000. Contact Corman Holsteins (306) 933-4608

- Dairy equipment for sale: Knight TMR mixer, Agrimetal silage cart with 5.5 hp Honda gas motor, 2 belt conveyors, 1000 gallon Delaval bulk tank with 2 compressors and new auto wash, 2" stainless steel pipeline. Heifers for sale: 12 registered good pedigreed Holstein heifers due September and October. One registered Jersey heifer due September. Contact Lloyd Sawatzky (306) 239-4818

- 2002 Tubeline Bale Wrapper and a dismantled 25/90 Harvestorg Silo. Call David Slykhuis @ (306) 453-2878 in Carlyle, SK

- DeLaval I.D. Transponders, Neck belts, neck belt numbers. Call Chad at (306) 598-2054.

- 2000 gallon Delaval tank. Call James Hein (306) 365-3209

MILK CONTROL BOARD MEMBERS

Leonard Blocka, Chairman	Phone – (306) 764-8439
Dr. David Christensen	Dairy researcher/professor U of S – Phone (306) 966-4152
David Finlay	Dairy producer – Phone (306) 493-2403

For further information, please contact the Saskatchewan Milk Control Board office.

1210-2500 Victoria Avenue Telephone (306) 787-5319
Regina, Saskatchewan S4P 3X2 Fax: (306) 787-1988

Website: www.smcb.ca email: info@smcb.ca